

House Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 38

HOUSE BILL 2317

AN ACT

AMENDING SECTION 42-3202.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 278, SECTION 16; AMENDING SECTION 42-3202.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 278, SECTION 17; RELATING TO TOBACCO PRODUCTS; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-3202.03, Arizona Revised Statutes, as amended by
3 Laws 2006, chapter 278, section 16, is amended to read:

4 42-3202.03. Cigarette stamps

5 A. Each roll or sheet of stamps for cigarettes that are required under
6 this chapter shall have a separate serial number that is legible at the point
7 of sale to the cigarette distributor. The department shall use the serial
8 number to keep records of each cigarette distributor who purchases each roll
9 or sheet of stamps. The department shall not sell stamps that have the same
10 serial number to more than one cigarette distributor. The department may
11 sell a partial roll or sheet of stamps to a cigarette distributor and shall
12 retain the remainder of the roll or sheet to subsequently sell to the same
13 cigarette distributor or shall destroy the remainder of the roll or sheet.

14 B. Only licensed cigarette distributors may purchase, obtain or affix
15 cigarette stamps. Cigarette distributors shall not sell or provide stamps to
16 any other cigarette distributor or person. When affixing cigarette stamps to
17 cigarettes, cigarette distributors shall ensure that the affixation method
18 that is used maintains the legibility of the serial numbers on the stamps.

19 C. IF, DURING COMPLIANCE INSPECTIONS OF A DISTRIBUTOR OR RETAILER, THE
20 DEPARTMENT DISCOVERS CIGARETTE PACKAGES THAT APPEAR NOT TO BE STAMPED IN
21 ACCORDANCE WITH SUBSECTION B OF THIS SECTION AND IF THE DISTRIBUTOR OR
22 RETAILER HAS SUBSTANTIALLY COMPLIED WITH THE OTHER PROVISIONS OF THIS
23 CHAPTER, THE FOLLOWING SHALL BE CONSIDERED A PROPERLY STAMPED CIGARETTE
24 PACKAGE:

25 1. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE THAT DOES NOT HAVE AN
26 AFFIXED CIGARETTE STAMP CONTAINING A FULLY LEGIBLE SERIAL NUMBER BUT THE
27 LEGIBLE DIGITS OF THE SERIAL NUMBER OF THE CIGARETTE STAMP ON THE QUESTIONED
28 INDIVIDUAL CIGARETTE PACKAGE MATCH THE CORRESPONDING DIGITS OF THE SERIAL
29 NUMBERS FROM OTHER PROPERLY STAMPED CIGARETTE PACKAGES THAT ARE PACKAGED OR
30 SHELVED TOGETHER WITH THE QUESTIONED INDIVIDUAL CIGARETTE PACKAGE.

31 2. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE THAT IS PART OF AN
32 ORIGINALLY UNOPENED PALLET, MASTER CARTON OR CARTON THAT CONTAINS OTHER
33 PROPERLY STAMPED CIGARETTES WHEN THE PALLET, MASTER CARTON OR CARTON IS
34 SUBSEQUENTLY OPENED DURING A COMPLIANCE INSPECTION BY THE DEPARTMENT.

35 3. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE IF THE DISTRIBUTOR OR
36 RETAILER CAN DEMONSTRATE THROUGH BOOKS, RECORDS OR OTHER INDICIA TO THE
37 SATISFACTION OF THE DEPARTMENT THAT THE QUESTIONED INDIVIDUAL CIGARETTE
38 PACKAGE WAS PURCHASED AS PART OF THE SAME PALLET, MASTER CARTON OR CARTON
39 THAT CONTAINED PROPERLY STAMPED CIGARETTE PACKAGES.

40 ~~G.~~ D. The department may authorize the use of a metering machine. If
41 the department authorizes the use of a metering machine, the department shall
42 assign a unique meter impression number to each cigarette distributor and
43 ensure that the impression is legible at the point of sale. The department
44 shall keep records that indicate the assigned meter impression number for
45 each cigarette distributor.

1 Sec. 2. Section 42-3202.03, Arizona Revised Statutes, as amended by
2 Laws 2006, chapter 278, section 17, is amended to read:

3 42-3202.03. Cigarette stamps

4 A. Each roll or sheet of stamps for cigarettes that are required under
5 this chapter shall have a separate serial number that is legible at the point
6 of sale to the cigarette distributor. The department shall use the serial
7 number to keep records of each cigarette distributor who purchases each roll
8 or sheet of stamps. The department shall not sell stamps that have the same
9 serial number to more than one cigarette distributor. The department may
10 sell a partial roll or sheet of stamps to a cigarette distributor and shall
11 retain the remainder of the roll or sheet to subsequently sell to the same
12 cigarette distributor or shall destroy the remainder of the roll or sheet.
13 The cigarette stamps described in section 42-3006, subsection D may vary from
14 the requirements in this subsection, except that the stamps must have a
15 separate serial number that allows the department to identify the registered
16 individual to whom the department conveyed the stamps and the return for
17 which the department conveyed the stamps.

18 B. Except as provided in subsection ~~D~~ E of this section, only
19 licensed cigarette distributors may purchase, obtain or affix cigarette
20 stamps. Cigarette distributors shall not sell or provide stamps to any other
21 cigarette distributor or person. When affixing cigarette stamps to
22 cigarettes, cigarette distributors shall ensure that the affixation method
23 that is used maintains the legibility of the serial numbers on the stamps.

24 C. IF, DURING COMPLIANCE INSPECTIONS OF A DISTRIBUTOR OR RETAILER, THE
25 DEPARTMENT DISCOVERS CIGARETTE PACKAGES THAT APPEAR NOT TO BE STAMPED IN
26 ACCORDANCE WITH SUBSECTION B OF THIS SECTION AND IF THE DISTRIBUTOR OR
27 RETAILER HAS SUBSTANTIALLY COMPLIED WITH THE OTHER PROVISIONS OF THIS
28 CHAPTER, THE FOLLOWING SHALL BE CONSIDERED A PROPERLY STAMPED CIGARETTE
29 PACKAGE:

30 1. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE THAT DOES NOT HAVE AN
31 AFFIXED CIGARETTE STAMP CONTAINING A FULLY LEGIBLE SERIAL NUMBER BUT THE
32 LEGIBLE DIGITS OF THE SERIAL NUMBER OF THE CIGARETTE STAMP ON THE QUESTIONED
33 INDIVIDUAL CIGARETTE PACKAGE MATCH THE CORRESPONDING DIGITS OF THE SERIAL
34 NUMBERS FROM OTHER PROPERLY STAMPED CIGARETTE PACKAGES THAT ARE PACKAGED OR
35 SHELVED TOGETHER WITH THE QUESTIONED INDIVIDUAL CIGARETTE PACKAGE.

36 2. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE THAT IS PART OF AN
37 ORIGINALLY UNOPENED PALLET, MASTER CARTON OR CARTON THAT CONTAINS OTHER
38 PROPERLY STAMPED CIGARETTES WHEN THE PALLET, MASTER CARTON OR CARTON IS
39 SUBSEQUENTLY OPENED DURING A COMPLIANCE INSPECTION BY THE DEPARTMENT.

40 3. A QUESTIONED INDIVIDUAL CIGARETTE PACKAGE IF THE DISTRIBUTOR OR
41 RETAILER CAN DEMONSTRATE THROUGH BOOKS, RECORDS OR OTHER INDICIA TO THE
42 SATISFACTION OF THE DEPARTMENT THAT THE QUESTIONED INDIVIDUAL CIGARETTE
43 PACKAGE WAS PURCHASED AS PART OF THE SAME PALLET, MASTER CARTON OR CARTON
44 THAT CONTAINED PROPERLY STAMPED CIGARETTE PACKAGES.

1 ~~G.~~ D. The department may authorize the use of a metering machine. If
2 the department authorizes the use of a metering machine, the department shall
3 assign a unique meter impression number to each cigarette distributor and
4 ensure that the impression is legible at the point of sale. The department
5 shall keep records that indicate the assigned meter impression number for
6 each cigarette distributor.

7 ~~H.~~ E. Only registered individuals described in section 42-3201,
8 subsection C may purchase, obtain or affix the cigarette stamps that are
9 described in section 42-3006, subsection D. Registered individuals shall not
10 sell or provide stamps to any other person.

11 Sec. 3. Conditional enactment

12 Section 42-3202.03, Arizona Revised Statutes, as amended by Laws 2006,
13 chapter 278, section 17 and this act, becomes effective on the date
14 prescribed in Laws 2006, chapter 278, section 34 but only on the occurrence
15 of the condition prescribed by Laws 2006, chapter 278, section 34.

APPROVED BY THE GOVERNOR APRIL 15, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 15, 2008.